reference to grade labeling; to the Committee on Interstate and Foreign Commerce.

5036. Also, petition of the National Maritime Union of San Francisco, with reference to subsidies: to the Committee on Banking and Currency.

5037. Also, petition of the congregation of Emanu-El of San Francisco, abrogating Chamberlain white paper; to the Committee on Foreign Affairs.

5038. Also, petition of the Sisterhood Tem-ple, Sherith Israel, of San Francisco, abroating Chamberlain white paper; to the Committee on Foreign Affairs

5039. Also, petition of the Jewish War Vet-erans Ladies Auxiliary, No. 152, of San Francisco, abrogating the Chamberlain white paper; to the Committee on Foreign Affairs.

5040. By Mr. SHORT: Petition of C. W. Griesser and others of Joplin, Jasper, and Newton Counties, Mo., protesting against the passage of the Bryson bill; to the Committee

on the Judiciary.
5041. By Mr. THOMAS of New Jersey: Peti-tion of approximately 1,180 signers, protesting against the passage of House bill 2082 and other prohibition legislation; to the Committee on the Judiciary

5042. Also, resolution adopted by Temple Beth Israel, of Maywood, N. J., entreating the President of the United States and the Congress to use their good offices in compelling Great Britain to perform its written obligations to the Jewish people by carrying out the terms and conditions of the Balfour Declaration and of its mandate over Palestine and to further compel Great Britain to take action forthwith to vitiate its Palestine white paper completely; to the Committee on Foreign Affairs.

5043. By Mr. SCHIFFLER: Petition of Albert E. Taylor and 4,419 other residents of the First Congressional District of West Virginia and vicinity, opposing House bill 2082; to the Committee on the Judiciary.

SENATE

WEDNESDAY, FEBRUARY 23, 1944

(Legislative day of Monday, February 7, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following praver:

O Thou seeking Shepherd of our souls, in days of darkness and doubt Thy rod and Thy staff they comfort us. Give us to understand that in the narrow fold of Thy will we are more free than in the wide plains of our own unhallowed desires; that in following Thee we find an adventure that our aimless wanderings can never know. We thank Thee that nothing in life or death, in this world or any other world, can separate us from Thy love which passeth understanding.

Hear our prayer for those in a world cursed by war, in these fearful times living hourly in the presence of danger and death. Be Thou the comfort of the bereaved, the home of the homeless, the guardian of the widow and the fatherless. Sustain those who suffer from wounds and sickness. Be Thou the Shining Presence in every fear-shadowed area of life. Take to Thyself those who are swept away by the hurricane of battle. Hasten the glad day when righteousness and justice shall be triumphant and peace shall bless our land and every land and the prophetic vision shall be fulfilled: "Violence shall no more be heard in thy land, wasting nor destruction within thy borders; but thou shalt call thy walls salvation and thy gates praise." We ask it in the dear Redeem-We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, February 22, 1944, was dispensed with, and the Journal was approved

ENROLLED BILL PRESENTED

Mrs. Caraway, from the Committee on Enrolled Bills, reported that on February 21, 1944, that committee presented to the President of the United States the enrolled bill (S. 158) for the relief of Colonel Anderson F. Pitts.

MESSAGE FROM THE PRESIDENT-APPROVAL OF BILLS

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On February 21, 1944:

S. 1324. An act for the relief of the Wisconsin Electric Power Co.;

S. 1391. An act for the relief of W. R. Jordan and Mabel Jordan;

S. 1417. An act to authorize the Secretary of the Interior to donate and convey on behalf of the United States, to Jack Henry Post, No. 1, of the American Legion, Anchorage. Alaska, the wood-frame building, known as the Telephone and Telegraph Building, located on lots 7 and 8 in block 17, Anchorage, townsite; and

S. 1494. An act for the relief of the William J. Burns International Detective

Agency.
On February 22, 1944:

S. 255. An act for the relief of Josephine M. Melchoir:

S. 817. An act for the relief of George A. Rogers;

S. 921. An act for the relief of Mrs. Neola Cecile Tucker;

S. 933. An act for the relief of Lee S. Brad-

S. 1077. An act for the relief of William A.

S. 1164. An act for the relief of Lucille Sleet: S. 1288. An act for the relief of Luther

Thomas Edens; S. 1325. An act for the relief of Joseph

Moret: and S. 1528. An act for the relief of Col. Anderson F. Pitts.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their

manico.		
Aiken	Burton	Eastland
Andrews	Bushfield	Ferguson
Austin	Butler	George
Bailey	Byrd	Gerry
Bankhead	Capper	Gillette
Barkley	Caraway	Green
Bilbo	Chavez	Guffey
Bone	Clark, Idaho	Hatch
Brewster	Clark, Mo.	Hayden
Bridges	Connally	Hill
Buck	Davis	Holman

Jackson	Nye	Tydings
Johnson, Colo.	O'Daniel	Vandenberg
La Follette	Overton	Wallgren
Lucas	Radcliffe	Walsh, Mass.
McClellan	Revercomb	Walsh, N. J.
McFarland	Reynolds	Weeks
McKellar	Russell	Wheeler
Maybank	Shipstead	Wherry
Mead	Smith	White
Millikin	Taft	Wiley
Moore	Thomas, Idaho	Willis
Murdock	Thomas, Utah	Wilson
Murray	Tunnell	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Wyoming [Mr. O'MAHoneyl are absent because of illness.

The Senator from Kentucky [Mr. CHANDLER], the Senator from California [Mr. Downey], the Senator from Louisiana [Mr. Ellender], the Senator from West Virginia [Mr. KILGORE], the Senator from Connecticut [Mr. MALONEY], the Senator from Florida [Mr. PEPPER], the Senator from Tennessee [Mr. STEWART], the Senator from Oklahoma [Mr. THOMAS], the Senator from Missouri [Mr. TRUMANI, and the Senator from New York [Mr. WAGNER] are absent on public

The Senators from Nevada [Mr. Mc-CARRAN and Mr. Scrugham) are absent on official business.

Mr. WHITE. The Senator from Oregon [Mr. McNary] is absent because of illness.

The Senator from Minnesota [Mr. BALL], the Senator from Illinois [Mr. BROOKS], the Senator from South Dakota [Mr. GURNEY], the Senator from New Jersey [Mr. HAWKES], the Senator from North Dakota [Mr. Langer], the Senator from Kansas [Mr. REED], and the Senator from Wyoming [Mr. ROBERTSON] are necessarily absent.

The Senator from New Hampshire [Mr. Tobey] is absent because of a death in his family.

The VICE PRESIDENT. Seventy-one Senators have answered to their names. A quorum is present.

CONTROL OF PRICES AND INFLATION: FAIR WAGE AND LABOR POLICY

Mr. WILEY. Mr. President, I received from Mr. Arthur E. Gerch, secretary of the Wisconsin Retail Food Dealers Association, of Milwaukee, Wis., a copy of a resolution which I should like to have printed in the RECORD. It relates to a suggestion which they think should be put into effect in relation to attempting to control the O. P. A.

I ask unanimous consent that the resolution be appropriately referred and printed at this point in the RECORD.

There being no objection, the resolution was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

RESOLUTION REITERATES NEED FOR INFLATION CONTROL ACT

Whereas the Price Control Act will expire on June 30, 1944, and whereas the Little Steel formula and the President's hold-the-line order have been upset by recent wage and other concessions to various groups, the effect of which has been to bring closer and un-controllable inflation; and

Whereas the Wisconsin Retail Food Dealers Association, representing a large number of the independent retail grocers of the State of Wisconsin, favors and is prepared to lend its support to the establishment of a sound program of inflation control, including control over food prices at all levels as will encourage maximum production, discourage black-market operations and be fair and equitable to processors, distributors, and consumers;

The board of directors of the association hereby reiterates its firm conviction that both price control and rationing are vital wartime necessities; and

Whereas in the opinion of the board, the foregoing objective can only be obtained through additional legislation which will

(a) Strengthen the system of price control and at the same time eliminate abuses and inequities now apparent.

(b) Establish a firm, fair national labor policy under which all wage earners will be accorded equality of treatment;

Resolved, first, that the following amendments to the Emergency Price Control Act should be adopted when and if such act is extended:

1. Provision for judicial review by local Federal district courts of all price regulations, including power on the part of the court to determine the validity and legality of such regulations and in proper cases for the grant-

ing of interlocutory relief.

2. Additional safeguards of the right of efficient operators to earn and retain such reasonable wages and profits as will enable them to remain in business and supply essential needs of their customers.

3. A more definite restatement of the intent of Congress with respect to the requirement that the powers granted by the Price Control Act shall not be used to compel changes in established business practices. The board is convinced that the O. P. A. has disregarded the intent of Congress in this regard and believes the section is in need of clarification.

4. Section C of the act providing for classification of stores has been so administered as to confer an undue competitive advantage upon certain types of operators and in the opinion of the board should be repealed.

Resolved, second, that in lieu of the breakdown of the Little Steel formula, a simple statutory wage celling be established with provisions for periodic adjustments to com-pensate for any material increase in actual cost of living, and to remain in effect for the duration of the war.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOLMAN, from the Committee on Public Lands and Surveys:

H. R. 2956. A bill for the protection of the water supply of the city of Sitka, Alaska;

without amendment (Rept. No. 719).

By Mr. HATCH, from the Committee on Public Lands and Surveys:

S. 1618. A bill to amend the acts of August S. 1618. A bill to amend the acts of August 26, 1935 (49 Stat. 866), May 11, 1938 (52 Stat. 347), June 15, 1938 (52 Stat. 699), and June 25, 1938 (52 Stat. 1205), which authorize the appropriation of receipts from certain national forests for the purchase of lands within the boundaries of such forests, any such receipts not ento provide that any such receipts not ap-propriated or appropriated but not expended or obligated shall be disposed of in the same manner as other national forest receipts, and for other purposes; without amendment (Rept. No. 720).

By Mr. WILLIS, from the Committee on Public Lands and Surveys:

H.R. 3618. A bill to authorize the War Food Administrator to sell and convey to Mrs. Andrew J. Frey, and her heirs, a certain tract of land, situated in the county of San Joaquin, State of California, and for other purposes; without amendment (Rept. No. 721).

By Mr. ANDREWS, from the Committee on the Judiciary:

S. 454. A bill dividing the State of Florida into two judicial districts, defining the ter-ritory embraced in each, and fixing the time of holding terms of court therein; with amendments (Rept. No. 722).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, The following favorable reports of nominations were submitted:

By Mr. WALSH of Massachusetts, from Committee on Naval Affairs:

Capt. Augustine H. Gray, United States Navy, to be a commodore in the Navy, for

temporary service, while serving as com-mander, Service Squadron Eight; Brig. Gen. James T. Moore to be a major general in the Marine Corps for temporary

service from the 1st day of February 1944; Brig, Gen. Francis P. Mulcahy to be a major general in the Marine Corps for temporary service from the 5th day of February

Sundry citizens and meritorious noncommissioned officers for appointment as second lieutenants in the Marine Corps.

Mr. CONNALLY, from the Committee on

Foreign Relations:

George W. Renchard, of Michigan, now a Foreign Service officer of class 6 and a secretary in the Diplomatic Service, to be also a

Mr. SMITH. I ask consent to make a unanimous report from the Committee on Agriculture and Forestry on a nomi-

The VICE PRESIDENT. Without objection, the report will be received and the nomination will be placed on the Executive Calendar.

By Mr. SMITH, from the Committee on Agriculture and Forestry: Grover Bennett Hill, of Texas, to be Under

Secretary of Agriculture.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

> By Mr. HOLMAN (for himself and Mr. McNary):

S. 1734. A bill authorizing acquisition by purchase, condemnation, or otherwise of certain forest lands within the Mount Hood National Forest in Oregon; to the Committee

on Agriculture and Forestry.

By Mr. WALSH of Massachusetts:

S. 1735. A bill to amend the act approved August 18, 1942, entitled "An act to facilitate the disposition of prizes captured by the United States during the present war, and for other purposes"; to the Committee on

INDEPENDENT OFFICES APPROPRIA-TIONS-AMENDMENT

Mr. RUSSELL submitted an amendment intended to be proposed by him to the bill (H. R. 4070) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1945, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

After section 212, insert the following new section:

"SEC. 213. No part of any appropriation made by this or any other act shall be allotted or made available to, or used to pay the exor made available to, or used to pay the ex-penses of, any agency or instrumentality es-tablished by Executive order after such agency or instrumentality has been in exist-ence for more than 1 year, if the Congress

has not appropriated any money specifically for such agency or instrumentality or spe-cifically authorized the expenditure of funds by it. For the purposes of this section, any agency or instrumentality established by Executive order shall be deemed to have been in existence during the existence of any other agency or instrumentality, established by a prior Executive order, if the principal functions of both of such agen-cles or instrumentalities are substantially the same or similar. When any agency or in-strumentality is or has been prevented from using appropriations by reason of this section, no part of any appropriation made by this or any other act shall be used to pay the expenses of the performance by any other agency or instrumentality of functions which are substantially the same as or similar to the principal functions of the agency or instrumentality so prevented from using appropriations, unless the Congress has specifically authorized the expenditure of funds for performing such functions."

BRITISH INTERFERENCE IN AMERICAN ELECTIONS

Mr. BYRD. Mr. President, I wish to read to the Senate a letter I have just written to Hon. Elmer Davis, of the Office of War Information, dated February 22. The letter is as follows:

FEBRUARY 22, 1944.

Hon. ELMER DAVIS, The Office of War Information,

Washington, D. C.

My DEAR MR. DAVIS: I have just seen the Associated Press dispatch from London, dated February 19, which is as follows:

"To give American troops newly arrived in Britain a quick fill-in of the news they have missed while afloat, the British Ministry of Information distributes a little four-page tabloid newspaper at ports of arrival.

"A recent issue, it was learned today, carried the following story, not credited to any source:

"'Roosevelt's opponents are ready to spend \$50,000,000 to beat him if—as they assume—he makes a fourth-term bid for President at the November elections.'

"The Ministry of Information declined to permit an Associated Press reporter to examine a copy of the issue which contained the story. However, the same story was published in the London Daily Express."

I then said this to Mr. Davis:

I cannot imagine anything more disruptive of the relations between Great Britain and America than for the British Ministry of Information to attempt to propagandize American troops in the coming election, especially when such propaganda is based on rumor and is submitted without details or proof.

I would be obliged to you if you would investigate the matter and ascertain whether this report is correct, namely, that the British Ministry of Information is distributing a newspaper to all of the American troops arriving in Great Britain and including in this newspaper such items as the quotation above given—to the effect that the opponents of Roosevelt are ready to spend \$50,000,000 to defeat him.

As the final effort is being made by Great Britain and America to administer the death blow to our enemies, it is vital that our relations not be disturbed by an attempt on the part of Great Britain to influence by propaganda, or otherwise, the results of our election.

We Americans will fight out our political battles within our own shores and any effort by foreign nations to influence this election will be deeply resented. Nothing more mis-chievous could be done to disturb the har-mony that should exist in time of war between two great peoples who are fighting side by side for the common cause.

Cordially yours,

HARRY F. BYRD.

Mr. President, when the reply to my letter is received I shall read it to the Senate.

LABELING OF FOOD

Mr. WILEY. Mr. President, in a recent issue of the Saturday Evening Post there appeared an article by a former O. P. A. official, Edmund F. Maher, who gives a clear conception of the vicious intent of a certain bill which has been called the labeling bill. It is claimed that if this bill were enacted into law it would stop practically all free enterprise, discourage research, place the careless, irresponsible packer in the same class with the man who is scrupulous about his products and his methods of processing, and would practically wipe out all trade names, and curb advertising to a great extent.

This article is worth reading. The canners, manufacturers, and consumers are entitled to protection.

AMERICAN ATTITUDES AND LEADER-SHIP—ADDRESS BY SENATOR BURTON

[Mr. BURTON asked and obtained leave to have printed in the RECORD an address entitled "American Attitudes and Leadership," delivered by him at Ohio Wesleyan University, Delaware, Ohio, February 21, 1944, as the final lecture of a series on international post-war problems, which appears in the Appendix.]

WASHINGTON'S BIRTHDAY ADDRESS BY SENATOR REYNOLDS

[Mr. REYNOLDS asked and obtained leave to have printed in the Record a radio address entitled "Washington, an American Nationalist," delivered by him on February 22, 1944, which appears in the Appendix.]

TRIBUTES TO JOSEPH B. EASTMAN AT TESTIMONIAL DINNER

[Mr. WHEELER asked and obtained leave to have printed in the RECORD an article from the Traffic World describing a testimonial dinner tendered Joseph B. Eastman, Director of the Office of Defense Transportation, which appears in the Appendix.]

DISCRIMINATING AGAINST OUR NEIGHBORS—ARTICLE BY SUMNER WELLS

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an article entitled "Discriminating Against Our Neighbors," written by Sumner Welles and published in the Chicago Sun of February 23, 1944, which appears in the Appendix.]

POLITICAL REFORM IN PUERTO RICO

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an editorial entitled "Are We Going To Reject the Bill?" from the San Juan (P. R.) El Mundo, of February 18, 1944, which appears in the Appendix.

BATAAN RELIEF ORGANIZATION

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD a report of the proceedings of the meeting of the Bataan Relief Organization at the Mount Vernon Methodist Church, Washington, D. C., February 10, 1944, which appears in the Appendix.]

VETO OF THE REVENUE BILL

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an editorial from the Washington Evening Star of February 23, 1944, entitled "An Unwise Veto"; an editorial from the New York Times of February 23, 1944, entitled "The President's Veto"; and an editorial from the New York Herald Tribune of February 23, 1944, entitled "The Tax Bill Veto," which appear in the Appendix.

THE PRESIDENT'S VETO OF THE REVENUE BILL

Mr. BARKLEY. Mr. President, on yesterday the President of the United States sent to the House of Representatives, and indirectly to the Senate, a message vetoing the tax bill recently passed by both Houses of the Congress after 6 or 8 months of deliberation upon it. I should have preferred to discuss this veto message on a proposal to pass the bill over the President's objections, but not knowing what action the House will take, and therefore not knowing whether the Senate will be given an opportunity to vote upon the veto, I have decided to discuss it now.

The President says in his message that he regrets it, but that he had to veto the bill in the public interest. He says that many months ago he asked Congress to increase the taxes by ten and one-half billion dollars, and that—

Since then-

To use his own language-

persons prominent in our national life have stated in no uncertain terms that my figure—

That is, the President's figure—was too low.

This reference in justification of his veto is obviously to Mr. Wendell L. Willkie, the up-to-date Halley's comet darting across the firmament hither and yon to illuminate the heavens with an array of fantastic figures which neither it nor anybody can comprehend. I cannot but wonder, Mr. President, whether this spectacular celestial nomad has frightened the President into the use of figures quite as fantastic, though not as large.

The President states that while the measure purports to increase the national revenue by a little more than \$2,000,000,000, the actual net result is a little less than \$1,000,000,000.

The Treasury Department has but yesterday reported that the net increase in taxes provided in this bill amounts to \$2,194,000,000. The staff of the Joint Committee on Internal Revenue set up by Congress estimates the net income to be around \$2,300,000,000.

But let us take the figures of the Treasury Department itself, which we might well admit are conservative. \$2,194,000,000 figure is arrived at after deducting from the gross increase in revenues provided in the bill any losses from other categories that may occur by reason of the bill itself. Whether these losses amount to \$150,000,000, as the President states, or to a smaller, or a larger sum, as estimated by the Treasury, they were all taken into consideration and deducted from the gross increases carried by the bill in order to arrive at the \$2,194,000,000 reported by the Treasury. It may be that that figure is subject to a further readjustment on account of what the Treasury calls nonrecurring items amounting to about \$75,000,000.

In order still further to belittle the amount of revenue provided in this new tax bill the President has resorted to one of the most unjustifiable methods of calculation it is possible to conjure up, which obviously was handed to him by a mind more clever than honest. He refers to an amount which he figures as \$1,100,000,000, which he claims would be collected by a doubling of the social-security taxes on March 1 of this year. I am one of the members of the Committee on Finance who voted against the freezing of the social-security tax when it was passed on by the committee. I not only voted on the floor of the Senate against freezing that tax, but I made an argument against it when the amendment was before the Senate for its consideration. The amendment freezing the tax at 1 percent, instead of automatically raising it to 2 percent, was adopted overwhelmingly both in the committee and in the Senate.

In my discussion of that proposal on the floor of the Senate I stated that I had never regarded the moneys procured by this tax as anything but a sacred fund to be used for the payment of the worthy purposes contemplated when the social-security law was enacted, and that I did not at that time, nor at any other time would I, vote to increase this tax merely for the purpose of letting the Treasury use it as revenue to carry on the ordinary expenses of the Government. It is true that in order to hold this fund inviolate and to obtain an income from it the law provides that it shall be loaned to the Treasury, originally at 3 percent interest, but now at a rate averaging the rate on other loans. But it is a loan. It is not Treasury capital. It is no more to be regarded as income in the Treasury than is the money obtained by the sale of War bonds, and it must be repaid, just as they are to be repaid, the only difference being that this loan bears a higher rate of interest than that borne by any of the War bonds now being sold to the public.

But even if this social-security tax should raise the amount which the President estimates, he has no right to say that if it is left in the pockets of employers and employees, instead of being collected from them, it will reduce the annual income of the Treasury by that or any other amount. It simply is not an accurate statement of the facts, and everybody knows it. As a matter of fact, it will not raise that amount, because 2 months of the year have already elapsed, during which time the increased social-security taxes have not been and will not be collected.

In his desire to criticize the bill and complain of Congress, the President, in talking about the desire for tax simplification, said—and I quote him:

The Nation will readily understand that it is not the fault of the Treasury Department that the income taxpayers are flooded with forms to fill out which are so complex that even certified public accountants cannot interpret them. No—

Says the President, with a comma it is squarely the fault of the Congress of the United States in using language in drafting the law which not even a dictionary or a thesaurus can make clear.

Mr. President, no man could have made that extraordinary statement who has sat in tax committees in the Capitol of the United States. If it was made by anybody who ever sat in a tax committee, it was a deliberate and unjustified misstatement in order to place upon Congress the blame for universal dissatisfaction with tax complexities, and in order to produce the illusion that the executive departments have in vain protested against this complexity. Congress is to blame for these complexities to the extent, and only to the extent, to which it has accepted the advice, the recommendations, and the language of the Treasury Department, through its so-called experts who have sat in on the passage of every tax measure since I can remember. Every member of the House Ways and Means Committee and every member of the Senate Finance Committee knows that every time we have undertaken to write a new tax bill in the last 10 years we have started out with the universal desire to simplify the tax laws and the forms through which taxes are collected. We have attempted to adopt policies which would simplify When we have agreed upon a them policy, we have submitted that policy to the Treasury Department to write the appropriate language to carry out that policy; and frequently the Treasury Department, through its experts, has brought back language so complicated and circumambient that neither Solomon nor all the wise men of the East could understand it or interpret it.

In his effort to justify this veto message, the President has gone forth with a searchlight and magnifying glass to find inconsequential faults. The President states—and I quote him:

The bill is replete with provisions which not only afford indefensible special privileges to favored groups but sets dangerous precedents for the future.

As evidence in support of this statement, the President refers to the provisions of the bill permitting corporations reorganized in bankruptcy to retain certain excess-profits credits and other items attributable to the contributions of stockholders who are, to quote the President, "usually eliminated in the reorganization."

This is cited as a loophole in behalf of special privileges. As a matter of fact, nobody knows at this time whether there would be any loss whatever to the Treasury on account of this provision. It all depends upon the outcome of litigation now pending in the courts, the outcome of which no person can foresee with any degree of certainty. But even if the litigation should result in making this provision effective, it would merely allow corporations which have come out of bankruptcy to claim and obtain the same credits which corporations which are still in bankruptcy obtain. Therefore no person can categorically claim that this provision would result in loss to the Treasury.

The President cites the percentage depletion allowance on a few new and insignificant items in this bill, not heretofore carried in tax bills or in the present law, and says that such allowances are questionable in any case. It is well known, Mr. President, that the Treasury has always been opposed to any sort of depletion allowance in the development or marketing of minerals; and the use by the President of the phrase "questionable in any case" indicates that his objections in this regard coincide with the traditional views of the Treasury. But according to the Treasury's own figures, the amount of revenue involved in this provision is so insignificant as to make a veto on that ground almost grotesque.

The President refers to the lumber industry as being permitted to treat income from the cutting of timber as a capital gain rather than as annual income, and cites that provision of the bill as a loophole in favor of special privilege. In all fairness to the Congress and to the people who read the President's message, it ought to be stated that under the present law, if a man owns a tract of timber and sells that timber, or sells the land on which it grows, to another person, company, or industry, he is allowed to pay taxes upon the amount which he receives as capital gain, not as annual income, for the year in which it is sold.

The difference between the tax provisions relating to capital gains and those relating to annual income are technical and are not understood by the average citizen or by many experts. I have neither the time nor the disposition to go into an explanation of this difference at this time. Suffice it to say that under the present law the owners of timberland may sell it to a lumber or milling company, or to anyone else who moves in upon it and cuts the timber and sells it, and are allowed to pay taxes on the basis of a capital gain. The person who buys, cuts, and markets the timber pays taxes on an annual income basis, because he is in that business; and in order to arrive at his income for that year upon his operation in that or any other field, he is allowed to deduct the costs originally, together with the expenses of operation, to arrive at the net income upon which he will pay a tax. But if the owner of that same land and that same timber. instead of selling it to another, moves a sawmill upon it and cuts it himself and sells it himself in the market, he is taxed upon it as income for that year. In other words, if he sells it outright to another, he is taxed in one way. If he cuts it himself, he is taxed in another way. This discrimination was recognized by the committee as an injustice to owners of land containing timber.

I voted for this timber amendment as a member of the Finance Committee. I voted for it on the floor of the United States Senate. As one of the conferees on the part of the Senate, I signed the conference report containing it. For that vote I make no apology to any human being. I did not vote for it in order to create a fantastic or imaginary loophole to allow someone to escape taxes. I voted for it as an act of justice to those who grow timber over a period of a generation, or half a century, and who are entitled to just treatment, no matter in what manner they dispose of the timber.

The President, in order to justify his treatment of this amendment, cites his own experience as a timberman, and from his experience he regards such income as constituting annual income. I do not know to what extent the President is engaged in the timber business. I do know that he sells Christmas trees at Christmas time. They are no doubt of easy growth and short life, and I have no doubt that the income from their sale constitutes annual income not only to him but that such income would constitute annual income to any other person engaged in a like enterprise. But, Mr. President, to compare those little pine bushes with a sturdy oak, gum, poplar, or spruce, which requires a generation of care and nurturing to produce in the forest, and from which no annual income is derived until finally it is sold, is like comparing a cricket to a stallion.

The President refers to a certain exemption in the bill from the excise profits tax for natural gas pipe lines, and uses that as a horrible example of loopholes which Congress has deliberately provided for special interests. The amount of taxes provided in this provision, Mr. President, according to the Treasury's own figures, would not exceed \$5,000,000.

He refers to commercial air lines, not more than three of which could possibly be affected by the provisions of this bill, according to the Treasury's own figures. The amount of taxes involved in this extension of the tax subsidy on mail contracts is not a penny more than \$1,500,-000. Those are the items which the President, with a searchlight and magnifying glass, has gone about to find in order to sustain the veto, in order to prove to the American people that the Congress of the United States has deliberately used the taxing power to impoverish the poor and make the rich richer.

The President said that he had been advised by some not to veto this bill "on the ground"—to quote his own language—"that having asked the Congress for a loaf of bread to take care of this war for the sake of this and succeeding generations, I should be content with a small piece of crust."

I am one of those, Mr President, who advised the President not to veto this bill. I not only advised him, but I implored him not to veto it, because I did not then believe, and I do not now believe, that the veto which he has sent to Congress was justified. I make no apology for that.

The President said that he had been advised that, "having asked the Congress for a loaf of bread to take care of this war for the sake of this and succeeding generations, I should be content with a small piece of crust." Then he states that he might have given heed to such advice—"if I had not noted that the small piece of crust contained so many extraneous and inedible materials."

Mr. President, how small a piece of crust is this, and how inedible is it, containing, as it does, \$2,250,000,000? How small a piece of crust is this, and how inedible is it? This "small piece of inedible crust" is more than the national debt of the United States Government

prior to the First World War. This 'small piece of inedible crust" is more than twice the annual cost of the Federal Government prior to the First World This "small piece of inedible crust" constitutes a sum of money large enough to pay the entire \$1,350,000,000 which Congress last week authorized to be expended for the relief of human suffering in occupied territories, and still leave \$1,000,000,000. This "small piece of inedible crust" constitutes a sum of money large enough to buy many airplanes and tanks, and many millions of rounds of ammunition. It is large enough to establish many hospitals for the relief of those injured in this war. This "small piece of incdible crust" constitutes a sum large enough to pay twothirds of the cost of the mustering-outpay bill for members in the armed servives of the United States, which Congress passed only a few weeks ago, and which the President himself recommended and signed.

Mr. President, to refuse this "small piece of inedible crust" is the same as if a starving man were to say to his would-be benefactor, "Unless you serve me with a full eight-course dinner, I will not eat a bite."

In his effort to belittle and discredit Congress throughout his veto message the President says:

It is not a tax bill but a tax-relief bill providing relief not for the needy but for the greedy.

That statement, Mr. President, is a calculated and deliberate assault upon the legislative integrity of every Member of Congress. Other Members of Congress may do as they please; but, as for me, I do not propose to take this unjustifiable assault lying down.

For 31 years I have continuously represented the great Commonwealth of Kentucky in the Congress of the United States-14 years in the House of Representatives-almost without opposition in my own party or in the Republican Party throughout that entire period. When my present term as a Senator shall have expired I will have served that great Commonwealth continuously for a period of 32 years. Unless I am misinformed, that constitutes a longer period of service than can be claimed by any other previous Kentuckian who has served in either branch of the Congress. When my present term in the Senate shall have expired, I will have served in this body for 18 years continuously, which is a longer period than any previous Kentuckian can claim for continuous service in the Senate.

Mr. President, out of the fullness of my heart, I entertain a profound gratitude to the people of my State for giving me the opportunity to serve them and the Nation during this tragic period of our history. On the 27th day of next July I shall have served as majority leader of this body for 7 years. You may be surprised to know, Mr. President, that, so far as I have been able to trace the record back in senatorial history, this is nearly twice as long as any other man of any political party has served as majority leader of this body.

Mr. President, this is the first time during that long service, which I had thought was honorable, when I have been accused deliberately of voting for a bill that constituted a relief measure impoverishing the needy and enriching the greedy.

Mr. President, for 12 years I have carried to the best of my ability the flag of Franklin D. Roosevelt. For the past 7 years I have carried the flag of this administration as majority leader of the Senate, and during these years I have borne that flag with pride because I felt that President Roosevelt in himself in the great crisis in the history of our country and the world constituted a dynamic leader for whom the people yearned. I dare say that during the past 7 years of my tenure as majority leader I have carried that flag over rougher territory than was ever traversed by any previous majority leader. Some times I have carried it with little help here on the Senate floor, and more frequently with little help from the other end of Pennsylvania Avenue.

Whether I have made a good majority leader, an indifferent majority leader, or a bad majority leader, the record itself will speak. There is nothing in that record that I would now change; there is nothing in that record that I would not repeat under the same circumstances that existed during this course of my legislative history. But, Mr. President, there is something more precious to me than any honor that can be conferred upon me by the Senate of the United States or by the people of Kentucky or by the President of this Republic, and that is the approval of my own conscience and my own self-That self-respect and the rectitude of that conscience I propose on this occasion to maintain.

I thank Heaven that my future happiness does not depend upon whether I shall retain the post of majority leader of the Senate for another hour. As proof of that, Mr. President, and in confirmation of this statement, I have called a conference of the Democratic majority for 10:30 o'clock tomorrow morning in the conference room of the Senate Office Building, at which time my resignation will be tendered and my services terminated in the post which I now hold at this desk.

Before leaving it, Mr. President, I wish to say that I have disagreed many times with my colleagues here on both sides of the political aisle; but I have sought to earn their respect and their esteem. Before I depart from this station I wish to express my deep appreciation for the courtesies which I have uniformly received. I shall carry with me to my dying day the most sacred memories of long and honorable service in the two branches of the Congress of the United States.

Mr. President, let me say, in conclusion, that if the Congress of the United States has any self-respect yet left it will override the veto of the President and enact this tax bill into law, his objections to the contrary notwithstanding. [Prolonged applause on the Senate floor. Senators rising.]

Mr. HOLMAN. Mr. President, supplementing the remarks of the distinguished and honored Senator from Kentucky [Mr. Barkley], I refer to paragraph (c) on the second page of the President's message of yesterday. This paragraph refers to and comments upon the item in the tax bill which relates to the lumber

The production of lumber and timber constitutes the greatest single industry in the entire Oregon section. I have received a number of messages relative to this item in the President's veto message. amongst them a telegram from David T. Mason, of Portland, Oreg. It so well expresses the thoughts of those who have their investments in and are devoting their lives to the development and production of timber in the Oregon area. that I ask unanimous consent to have it printed in the body of the RECORD following my remarks.

There being no objection, the telegram was ordered to be printed in the RECORD. as follows:

PORTLAND, OREG., February 22, 1944. Hon. Rufus Holman, United States Senate,

Washington, D. C .:

Reference President's veto message of revenue bill, I understand message in part states in effect, "Lumber industry is allowed to treat income from cutting of timber as capital gain rather than as ordinary annual income. As a grower and seller of timber, I believe timber should be considered a crop, and the income should be taxed as ordinary annual income. This would encourage private forestry." The President is 100 pervate forestry." cent wrong in the last two sentences quoted, for it is now widely recognized that the greatest present obstacle to private forestry is the present income tax law, because it does tax income from cutting of timber as ordinary annual income. If timber were an annual crop like corn it should be so taxed. but timber crops generally require 50 years or more to grow to the harvest stage, during which long period of growth without protection by insurance they are exposed to great hazards of fire, insects, disease, wind, and other damage. The gain from such a crop is not an ordinary income created within the tax year, but is a capital gain created over a long period of years and such gain should be taxed as a capital gain, just as capital gains of other kinds are already taxed under existing income tax law. In recognition of the present discrimination against timber the Congress-in this revenue bill-provided for suitable equitable tax treatment upon the recommendation of forest owners, of State foresters, of eminent professional foresters, of the congressional Committee on Small Business, of the War Production Board, and of others.

DAVID T. MASON.

EXTENSION OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the joint resolution (S. J. Res. 116) continuing the Commodity Credit Corporation as an agency of the United States until June 30, 1945.

The PRESIDING OFFICER (Mr. MUR-DOCK in the chair). The joint resolution is open to amendment.

Mr. LA FOLLETTE. Mr. President, if there is no other amendment to be offered, I desire to present one on behalf of the senior Senator from Ohio [Mr. TAFT] and myself.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. At the end of the joint resolution it is proposed to insert the following new section:

SEC. —, In cases where producers have expanded or hereafter expand production of nonbasic agricultural commodities pursuant to any public announcement made under section 4 (a) of the act entitled "An act to extend the life and increase the credit resources of the Commodity Credit Corporation and for other purposes," approved July 1, 1941, as amended, it shall be the duty of the Secretary of Agriculture or the War Food Administrator through loans, purchases, and other operations under such section 4 (a), to completely fulfill all commitments made to such producers. In order to carry out the purposes of this section, the Secretary of Agriculture or the War Food Administrator shall use such of the funds available for carrying out the provisions of such section 4 (a) as may be necessary, and such funds are hereby made available for such purpose.

Mr. LA FOLLETTE. Mr. President, this amendment is offered in order that there may be a reaffirmation by the Congress of the policy of assuring farmers who have expanded their production in the past, or who have agreed to expand it in the future, the support prices upon the basis of which they have made the expansion of production.

I wish to say that the amendment is not intended to be critical of anyone, but it is felt by many familiar with the situation that it would be very helpful in bringing about future responses of farmers to the requests of the Government for expanded production if this reaffirmation of the purpose to grant support prices in every instance where possible could become a part of the pending joint resolution.

Mr. President, I wish to call attention to the fact that in my own State—and I think the statement is applicable to the States of many other Senators—a situation has developed with regard to the price of eggs which has made the position of those who responded to the appeal for increased production of poultry and poultry products very difficult.

I was advised early this month by Mr. Button, the director of the Wisconsin State Department of Agriculture, that in January the average price of eggs in Wisconsin was below 30 cents a dozen, and that with rising production costs poultry is being disposed of rapidly. Egg production during 1944 is expected to be substantially under that of 1943.

Perhaps a great deal of the damage, so far as pork production is concerned, has already been created. However, I feel that action by the Senate and the Congress in adopting the amendment now proposed to the pending joint resolution will have a reassuring effect, insofar as the farmers are concerned, because it will demonstrate that Congress is determined to assure them support prices for their commodities insofar as possible, in cases in which they have expanded production in the past, or in which they may be asked to expand production in the future.

The amendment really speaks for itself. I conferred with the Senator from Kentucky [Mr. Barkley] concerning it,

and he indicated to me that he had no opposition to the amendment. Since it is merely a reaffirmation of the policy which we all wish to have followed, and since I cannot believe that it would have any effect in delaying consideration of the joint resolution, I tender it to the judgment of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. La Follette] for himself and the Senator from Ohio [Mr. Taft].

The amendment was agreed to.

Mr. BUSHFIELD. I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 1, line 7, it is proposed to insert the following:

SEC. 2. No funds appropriated to, borrowed by, or in the custody or control of any governmental agency (including any Govern-ment-owned or Government-controlled corporation) shall be directly or indirectly used by or made available to the Commodity Credit Corporation or any other governmental agency (including any Government-owned or Government-controlled corporation) to make any subsidy or other payment, or to pay or absorb losses, on any agricultural commodity or any commodity processed or manufactured in whole or substantial part therefrom, in-cluding milk and livestock and the products thereof, either to reduce or maintain, or in lieu of increasing, maximum prices established on such commodities: Provided, That with respect to any such commodities for which programs involving such payments or losses have been announced on or before October 13, 1943, such programs may be carried out to the extent only that funds are available for such purpose under existing law, but winding up and liquidating such programs shall proceed after the date of enactment of this act, and shall be completed within a reasonable time not later than June 30, 1944: Provided further, That support prices shall continue to be maintained and announced for any such commodities pursuant to section 4 of Public Law No. 147, approved July 1, 1941, as amended, and loans shall continue to be made pursuant to section 8 of Public Law No. rage pursuant to section 8 of Public Law No. 729, approved October 2, 1942, but any maximum prices heretofore or hereafter established for such commodities shall not be below the support prices therefor or below the prices specified in section 3 of Public Law No. 729, approved October 2, 1942: And provided further, That nothing herein shall be construed to prevent the making of parity payments, soil-conservation payments, or benefits to sugar growers authorized under title III of the Sugar Act of 1937, as amended, or the sale of feed wheat as authorized by existing law.

Mr. BANKHEAD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Butler Gillette Aiken Byrd Capper Caraway Green Guffey Andrews Austin Bailey Bankhead Hatch Hayden Chavez Clark, Idaho Clark, Mo. Connally Barkley Bilbo HIII Holman Bone Jackson Johnson, Colo. Brewster Bridges Davis Eastland La Follette Ferguson George Gerry Buck Burton Lucas McClellan

Reynolds Russell Shipstead Walsh, Mass. Walsh, N. J. Maybank Weeks Smith Millikin Wheeler Wherry Moore Taft Murdock Thomas, Idaho Thomas, Utah White Wiley Willis O'Daniel Tunnell Tydings Vandenberg Overton Radcliffe Revercomb Wallgren

The PRESIDING OFFICER. Seventy Senators having answered to their names, a quorum is present.

Mr. BUSHFIELD. The amendment I propose at this time is the same as section 3 of the bill which was vetoed by the President. In effect it prohibits, with certain exceptions, the payment of consumer subsidies.

The bill which was vetoed was passed by substantial majorities in both Houses of Congress. If the House of Representatives and the Senate were correct in their votes at that time, a Presidential veto does not change the existing facts. We were correct at that time, at least, a large majority of us thought we were; and we are still correct, in our own opinion. I have offered the amendment for that purpose, because I believe it should be contained in any extension of the Commodity Credit Corporation Act. I ask for a yea-and-nay vote on the amendment.

The yeas and nays were not ordered.
Mr. BANKHEAD. Mr. President, I
shall not go into the subject. We
threshed it out, and the Senate passed
the bill, and the President vetoed it.

Now we are endeavoring to save the Commodity Credit Corporation agency in which all the farmers are deeply interested. Of course, if the amendment were adopted, and if the joint resolution containing the amendment were passed by the House, it necessarily would be vetoed again. That would simply be a matter of marching up the hill and marching down again.

So I hope the amendment will not be agreed to, and I speak in the interest of the farmers when I say that.

Mr. TAFT. Mr. President, this is like history repeating itself. I remember that last spring we passed a bill substantially like the bill we passed this year. It was vetoed. The veto was upheld in the House, and again we had the question of passing a bill extending the life of the Commodity Credit Corporation. At that time I think I voted in favor of another amendment prohibiting subsidies, or at least limiting the amount of subsidies. I think I offered such an amendment

Of course, it is true that the pending joint resolution impliedly approves for the time being, at least, the subsidy program. However, I feel differently this time, for this reason: The Price Control Act of 1942 and the Stabilization Act of October 1942 both expire on the 30th day of June. The authority to pay subsidies—at least, the authority to pay roll-back subsidies—through the Reconstruction Finance Corporation rests, I think, very uncertainly on the provisions of the Price Control Act of 1942. It seems to me that we have a very much more effective method of dealing with the subsidy question in the Price Control

Act than we have in this particular joint resolution.

As a matter of fact, the amendment which has been offered, and which was contained in the other bill, would continue the present subsidy program until the 1st of July 1944. Consequently, the Price Control Act expiring at that time, we can deal just as well with subsidies after the first of July, through the Price Control Act, as we can deal with them in the pending joint resolution. In fact, we can deal much more effectively with them through the Price Control Act, because, of course, it will be impossible to veto an extension of the Price Control Act even though it limits the payment of subsidies, because it is obvious that the price-control system must continue after the 1st of July. I believe we can deal much more constructively with the question of subsidies, I believe we can pick out the kind of subsidies which should be approved and those which should not be approved, more effectively in rewriting that section of the Price Control Act than we can do in the pending joint resolution.

So, Mr. President, despite the fact that I sympathize with the purposes of the Senator from South Dakota [Mr. Bushfield], I believe the practical thing to do at the present time is to pass the pending measure providing for an extension of the Commodity Credit Corporation Act, and to postpone the entire subsidy controversy until we have to deal with the renewal of the Price Control Act of 1942.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

Mr. BUSHFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken Andrews George Radcliffe Gerry Gillette Austin Revnolds Bailey Bankhead Green Guffey Russell Shipstead Barkley Hatch Smith Bilbo Hayden Hill Thomas, Idaho Bone Holman Brewster Bridges Thomas, Utah Tunnell Jackson Tydings Vandenberg Wallgren Walsh, Mass. Walsh, N. J. Johnson, Colo. Buck Burton Bushfield La Follette McClellan Butler McFarland McKellar Byrd Capper Weeks Maybank Mead Millikin Caraway Chavez Wheeler Wherry Clark, Idaho Clark, Mo. Connally White Moore Murdock Wiley Davis Eastland Nye O'Daniel Wilson

The PRESIDING OFFICER. Seventy Senators have answered to their names. A quorum is present.

Overton

Ferguson

Mr. BUSHFIELD. I ask for the yeas and nays on my amendment.

The yeas and nays were not ordered. The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota. The amendment was rejected.

Mr. BUTLER. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 1, after line 6, it is proposed to insert the following new section:

SEC. 2. Section 7 of the act approved January 31, 1935 (49 Stat. 4), as amended, is hereby further amended by changing the designation thereof to section 7 (a); and by striking out the period at the end of such section and inserting in lieu thereof a colon and the following:

and the following:
"Provided, however, That the Corporation shall at all times maintain complete and accurate books of account and shall determine the procedures to be followed in the transac-

tion of the corporate business.

"(b) The financial transactions of the Corporation beginning with the period from July 1, 1944, shall be audited by the General Accounting Office in accordance with the principles applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States: Provided, That the Corporation shall continue to have the authority to make final and conclusive settlement and adjustment of any claims by or against the Corporation the accounts of its fiscal officers: Provided further, That a report of such audit shall be made to the Congress, together with such recommendations as the Comptroller General may deem advisable, and that each such report shall cover a period of 1 fiscal year: Provided further, That a copy of each such report shall be furnished the Secretary of the Treasury and that the findings contained therein shall be considered by the Secretary in appraising the assets and liabilities and determining the net worth of the Corporation under sections 1 and 2 of the act of March 8, 1938 (52 Stat. 107), as amended: Provided, however, That nothing in this section shall be construed as modifying legislation authorizing the use of funds of the Cor-poration for administrative expenses and requiring accountability therefor.

"(c) The expenses of the audit as provided in this section may be paid up to and including June 30, 1946, from moneys advanced therefor by the Corporation, or from any appropriation or appropriations for the General Accounting Office, and appropriations so used shall be reimbursed promptly by the Corporation, as billed by the Comptroller General: Provided. That any such advances or reimbursements shall be considered as nonadministrative expenses of the Corporation. For the purpose of such audit the representatives of the General Accounting Office shall have access to all papers, books, files, accounts, financial records, warehouses, and all other things, property, and places belonging to or under the control of or used or employed by the Corporation and shall be afforded full facilities for verifying transactions with the balances in depositaries and with fiscal agents: Provided further, That the certified financial reports and schedules of the fiscal agents of the Corporation based on commercial audits in the usual course of business may be accepted by the General Accounting Office in its audit of the financial transactions of the Corporation as final and not subject to further audit verification.

"(d) Any examination of the corporate records shall be made at the place or places where such records are normally kept in the transaction of the corporate business, and the Corporation shall retain custody of contracts, vouchers, schedules, or other financial or accounting documents, either original or duplicate, relating to its nonadministrative transactions."

Mr. BUTLER. Mr. President, I should like to have the RECORD show that the amendment is offered by the Senator from Virginia [Mr. Byrd] and myself. I merely wish to state that the amendment

as read is a clause lifted from the original bill offered by the Senator from Alabama [Mr. Bankhead], and has to do only with the requirement of financial reports being handled through the General Accounting Office. I am not certain but that the Senator from Alabama is willing to accept the amendment.

Mr. BANKHEAD. I have no objection to the adoption of the amendment as read. I think it is a good amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska on behalf of himself and the Senator from Virginia [Mr. Byrd].

The amendment was agreed to.

The PRESIDING OFFICER. The joint resolution is before the Senate and open to further amendment. If there be no further amendment, the question is on the engrossment and third reading of the joint resolution.

Mr. SHIPSTEAD. Mr. President, before the vote is taken, I wish to read a letter which I have received from a farmer in Minnesota. The letter is typical of letters which I have been receiving from all over the State. It deals with farm prices and how the farmers feel about them. I have received many other letters on the same subject, but this one is so illuminating, so typical, and so well written that I wish to read it into the Record. I have permission from the writer to put it into the Record. I read it as being a typical letter. The letter is as follows:

Senator SHIPSTEAD,

Washington, D.C.

DEAR SIR: I read nearly every day about how much money the farmer is making and what the Government plans to do with the enormous farm income. Evidently I live on the wrong farm, for to date I haven't seen an oversupply of loose change here.

Fifteen months ago, the Government was selling wheat at 75 cents per bushel for feed. The hogs raised on that wheat sold for \$16.25. Today that same wheat is over \$1.30 per bushel and hogs are \$13.45 top. Does the Government expect the farmer to pay his taxes out of that?

Two months ago, I sold eggs at the store for 42 cents per dozen and paid \$4.50 per hundredweight for concentrate. One month ago, I sold eggs for 27 cents per dozen, a drop of 15 cents, and paid \$4.65 per hundredweight for the same brand of concentrate. That makes a cut of very near \$100 per month in income from a flock of 400 chickens. And they tell me eggs are selling at 60 cents per dozen to consumers in Washington.

His letter is dated January 11. At that time my household was paying 68 cents for small eggs and 72 cents for ordinary large-size eggs. He continues:

I can't find anything left to buy bonds or pay taxes out of eggs, either.

Now, I am also selling milk to the North American Creamery. I get \$2.45 per hundred-weight after expenses are out for hauling. That pays for their feed and about 20 cents per hour for labor. Then I take a sheet of paper down to the A. A. and collect 30 cents per hundredweight subsidy. Perhaps I can find a few cents out of that for taxes. I don't feel that the subsidy money is honest money anyway, but I can't afford to turn it down. I can't understand why we aren't allowed to have an honest price for our produce. I don't know what the feeling is like to be a W. P. A. worker or receive any relief money distributed by the New Deal, but now

we are practically forced to go down and ask for part of our pay check.

He means he has to go down to the triple A office to get his 30 cents a hundred pounds on milk. That means that he must drive down to that office, and burn up gasoline in order to obtain the 30 cents instead of being paid through the creamery. He says:

If we must have subsidies why can't it be paid through the creamery?

In short there must be something rotten in Denmark. It is no wonder farmers are selling out. There will be one more right here this year if the situation doesn't change.

My brother, Marvin, * * has been in the Army for nearly 3 years. My wife's has been brother has been in New Guinea for 19 months, and we want to do all possible to help them get home as soon as possible.

If I keep my hogs, I have to buy more feed. If I kill them or starve them, it's a big job to dispose of them. If I feed them, I've got to pay it out of my pocket. What would you suggest? The chickens don't worry us much because they are pretty good eating.

My suggestion is that we get all the farmers in Washington out on farms with the rest of us, or else let them keep their fingers out of it and stop telling the farmers how it's done.

If we are going to have subsidies, crop control, permits to market our produce, rationing, and all the alphabetical bureaus and control groups, burning up new tires and gasoline to spy on the rest of the public (they call it law enforcement), why doesn't the Government establish a national W. P. A. and have everyone work for the New Deal. I am told that is the way it works in Russia. Yours truly,

O. R. HANSEN.

The PRESIDING OFFICER. If there be no further amendment, the question is on the third reading of the joint resolution.

Mr. WHERRY. Mr. President, I should like to offer from the floor an amendment to the joint resolution. I move to strike out the words "June 30, 1945" in line 6 and to insert in lieu thereof the words "December 31, 1944."

I offer that amendment constructively. I feel that the date proposed will provide a sufficient length of time for the Commodity Credit Corporation to continue in operation. The crop will have been raised; production will have been had, and if the life of the Corporation be extended to December 31, 1944, its existence will continue to the last day of this Congress. After the November election, 1 month will remain in which it can be renewed; and we will have a month in which we can consider continuing incentive payments, payments for support prices and also consumer subsidies; but if we extend it to June 1945, this Congress is in reality binding the succeeding Congress on the payment of consumer subsidies, which has been the bone of contention in this entire legislative program.

I think the Senator in charge of the joint resolution should accept the amendment because if we extend the Commodity Credit Corporation until December 1944, we will give every producer of crops a chance to know what the situation is, his incentive payments will be made, there will be no question about present subsidies, and during the time from November to December 31, Congress will be given an opportunity to reconsider or consider whether or not they want to extend the consumers' subsidies during that period and for the next 6 months of 1945.

I do not want to debate the issue concerning consumers' subsidies; that is not the relief I am asking for. I feel we should not bind the new Congress by continuing the Commodity Credit Corporation with a blank check until June 1945. I think we ought to terminate it on December 31 of this year, and then have a reconsideration of the legislation and decide to pay or not to pay subsidies, and let the next Congress decide that ques-

BANKHEAD. Mr. President, regret to see a disposition in some quarters to resist substantial continuance of the Commodity Credit Corporation. It is the only financing agency of the Government that renders direct and helpful service to the farmers all the year around. The joint resolution before the Senate proposes to let the Commodity Credit Corporation continue until June 30 of next year, which will be the end of the fiscal year. That is exactly the provision contained in the bill which the committee twice reported and which the Senate by a large majority adopted. It is a copy taken from the bill which we passed, just as the section the Senator from Nebraska offered is a copy taken from that bill.

The Commodity Credit Corporation has statutory duties, mandatory duties, to perform at least 2 years after the con-clusion of the war. So, instead of shortening the time of the life of the Commodity Credit Corporation, we ought in fact to extend it at least to cover the period during which Congress has placed upon it duties to perform.

Mr. WHERRY. If the Senator will yield, I inquire what would that date be?

Mr. BANKHEAD. I cannot tell the Senator, but whatever the date, the Com-modity Credit Corporation has duties in the matter of loans on basic commodities given to it by Congress and which it is required to execute.

Mr. WHERRY. I want to say to the Senator that it will be perfectly satisfactory to me to have it run over to next year. I would let the Senator write the date in. I do not want to hurt in any way the production of any crop, wool, sugar, or any other crop, which might be suggested, but my theory is when that crop period is over we should not extend consumer subsidies any longer.

Mr. BANKHEAD. Consumer subsidies have nothing to do with the Commodity Credit Corporation. If we did not have any consumer subsidies, the R. F. C. could engage in providing them. The could engage in providing them. The Senator knows my position about that and no Member of the Senate worked harder against subsidies than did the Senator from Nebraska. The Commodity Credit Corporation is a farmers' organization, and merely extending it to next June does not make a great deal of difference, for we will have an opportunity before that time, if we want to deal with the subsidy question, to deal with it in connection with the renewal of the O. P. A.
Mr. AIKEN and Mr. TAFT addressed

the Chair.

The PRESIDING OFFICER. Does the Senator from Alabama yield; and if so, to whom?

Mr. BANKHEAD. I yield first to the Senator from Vermont.

Mr. AIKEN. I ask the Senator from Alabama if this date is left as it now is, can the Commodity Credit Corporation make commitments running all through the crop year 1945? It appears to me that the purpose of the Senator from Nebraska is not to prevent payment of subsidies that are promised on this year's crop, but to prevent the Commodity Credit Corporation from promising them a full year ahead, even though the next Congress might outlaw them?

Mr. BANKHEAD. As the Senator knows, we will have opportunity in June to deal with that before the new crop comes in

Mr. TAFT. Mr. President-

Mr. BANKHEAD. I yield to the Senator from Ohio.

Mr. TAFT. The Commodity Credit Corporation cannot, as I see it, commit itself to pay subsidies next year. All the Commodity Credit Corporation can commit itself to is to pay support prices. The question whether or not such support prices shall be passed on to the consumer is a question of price control, and can be dealt with in the Price Control Act when we review that act. It does not seem to me that by continuing the Commodity Credit Corporation we in any way commit ourselves to the payment of subsidies, except as the Commodity Credit Corporation or the Price Control Administrator refuse to pass on prices paid by the Commodity Credit Corporation. What we were trying to do in the antisubsidy amendment applied not only to the Commodity Credit Corporation, but it applied to the Price Administrator and it applied to the R. F. C., and to all other agencies. The actual continuation of the Commodity Credit Corporation, as I see it, does not in any way change the subsidy situation from what it is today.

Mr. BANKHEAD. The Senator is entirely correct.

Mr. TAFT. I think obviously the place to deal with it is in the renewal of the Price Control Act that expires on the 1st of July, and we will have full opportunity then to say how long subsidies

may be continued.

Mr. WHERRY. Mr. President, with the explanation of the senior Senator from Ohio, I withdraw the amendment, inasmuch as we can consider it before July when the extension of the Price Control Act is under consideration.

Mr. BANKHEAD. I thank the Sena-

PRESIDING OFFICER. The amendment of the Senator from Nebraska is withdrawn. If there be no further amendments the joint resolution will be read the third time.

The joint resolution (S. J. Res. 116) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the first sentence of section 7 of the act approved January 31, 1935 (49 Stat. 4), as amended, is hereby amended, as of February 17, 1944, by striking out "February 17, 1944" and inserting in lieu thereof "June 30, 1945".

SEC. 2. In cases where producers have expanded or hereafter expand production of nonbasic agricultural commodities pursuant to any public announcement made under section 4 (a) of the act entitled "An act to extend the life and increase the credit resources of the Commodity Credit Corporation and for other purposes", approved July 1, 1941, as amended, it shall be the duty of the Secretary of Agriculture or the War Food Administrator through loans, purchases, and other operations under such section 4 (a). to completely fulfill all commitments made to such producers. In order to carry out the purposes of this section, the Secretary of Agriculture or the War Food Administrator shall use such of the funds available for carrying out the provisions of such section 4 (b) as may be necessary, and such funds are hereby made available for such purpose.

SEC. 3. Section 7 of the act approved January 31, 1935 (49 Stat. 4), as amended, is hereby further amended by changing the designation thereof to section 7 (a); and by striking out the period at the end of such section and inserting in lieu thereof a colon and the following: "Provided, however, That the Corporation shall at all times maintain complete and accurate books of account and shall determine the procedures to be followed in the transaction of the corporate business.

"(b) The financial transactions of the Corporation beginning with the period from July 1, 1944, shall be audited by the General Accounting Office in accordance with the principles applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States: Provided, That the Corporation shall continue to have the authority to make final and conclusive settlement and adjustment of any claims by or against the Corporation or the accounts of its fiscal officers: Provided further. That a report of such audit shall be made to the Congress, together with such recommendations as the Comptroller General may deem advisable, and that each such report shall cover a period of 1 fiscal year: Provided further, That a copy of each such report shall be furnished the Secretary of the Treasury and that the findings contained therein shall be considered by the Secretary in appraising the assets and liabilities and determining the net worth of the Corporation under sections 1 and 2 of the act of March 8. 1938 (52 Stat. 107), as amended: Provided, however, That nothing in this section shall be construed as modifying legislation authorizing the use of funds of the Corporation for administrative expenses and requiring accountability therefor.

"(c) The expenses of the audit as provided in this section may be paid up to and including June 30, 1946, from moneys advanced therefor by the Corporation, or from any appropriation or appropriations for the General Accounting Office, and appropriations so used shall be reimbursed promptly by the Corporation as billed by the Comptroller General: Provided, That any such advances or reimbursements shall be considered as nonadministrative expenses of the Corporation. For the purpose of such audit the representatives of the General Accounting Office shall have access to all papers, books, files, accounts, financial records, warehouses, and all other things, property, and places belonging to or under the control of or used or employed by the Corporation and shall be afforded full facilities for verifying transactions with the balances in depositaries and with fiscal agents: Provided further, That the certified financial reports and schedules of the fiscal agents of the Corporation based on commercial audits in the usual course of business may be accepted by the General Accounting Office in its audit of the financial transactions of the Corporation as final and not subject to further audit verification.

not subject to further audit verification.

"(d) Any examination of the corporate records shall be made at the place or places where such records are normally kept in the transaction of the corporate business, and the Corporation shall retain custody of contracts, vouchers, schedules, or other financial or accounting documents, either original or duplicate, relating to its nonadministrative transactions."

THE PRESIDENT'S VETO OF THE REVENUE BILL

Mr. DAVIS. Mr. President, as a member of the Senate Finance Committee, which has devoted several difficult and laborious months to the formulation and development of the current tax bill, I feel impelled to comment briefly with respect to the President's recent veto of that legislation which bore the sincere endorsement of the vast majority of both Houses of the Congress.

It is my belief, Mr. President, that the Chief Executive was ill-advised in taking the veto step, and I cannot but feel that his action is not in the interests of the general welfare of the Nation.

As one who has watched the development of this issue from the day the Treasury Department with the President's approval first submitted its impossible program for the raising of ten and one-half billion dollars in additional revenue—a program which was steeped in political considerations and a complete disregard for the welfare of the vast majority of the small businessmen and white-collar workers in Americaand as one who has witnessed the absolute hostility of the Treasury Department and the executive department to the various revenue-raising proposals presented in the Congress, I can only say that I challenge the President and any of his aides to make out a case for the tax program which they advocate.

The Members of the Congress have sincerely and conscientiously worked to prepare a tax bill which would provide needed revenues to the National Government, and which at the same time would not completely destroy the economic security of this Nation and render our people helpless in the face of approaching post-war years.

I feel very keenly about this recent action taken by the President; but I do not desire at this time to impose further upon the Senate. Therefore, I shall conclude my remarks by asking unanimous consent to have inserted in the Record at this point as a part of my remarks. an editorial which appeared in this morning's issue of the Philadelphia Inquirer entitled "Veto of Tax Bill a Mistake." This editorial sets forth in clear language my own reaction to the Presidential veto of the tax bill.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

VETO OF TAX BILL A MISTAKE

In vetoing the 1944 tax bill the President says he is impelled by regard for the public interest. The Inquirer believes that, in the broader view, his action is opposed to the public interest.

We say this with full realization of the measure's many faults and deficiencies to which we have so frequently and pointedly directed attention.

Even additional tax revenue of more than \$2,000,000,000 is inadequate. But it is not negligible. It should have been far more and might easily have been if the Treasury and the administration had cooperated with Congress and if both branches of the Government had shown courage and wisdom in seeking rich sources of revenue as yet untapped.

The President's message mentions as an offset to the extra taxes provided by this bill its freezing of the social-security taxes, which, he says, would deprive the Treasury of more than a billion dollars.

Aside from the fact that the so-called social-security taxes are not real taxes—even though utilized to meet the Government's running expenses—since they represent money which will have to be returned to the contributors, their wholly inexcusable doubling at this time would place an unnecessary burden on wage earners and business.

The effect would be to hinder employment and to raise costs of production and consequently increase prices. The provision for keeping social-security taxes at their present levels is one of the commendable features of this tax bill, and it is to be hoped that whatever Congress may or may not do, it will reenact this provision, even if in different form.

That would not deprive the Government of any revenue it is now receiving from this source.

Considering that this bill would take half a billion dollars more from corporations, \$665,000,000 more from individual incomes, and a billion dollars more in excise taxes, it is difficult to follow Mr. Roosevelt's reasoning that it is "not a tax bill, but a tax relief bill, providing relief not for the needy but for the greedy."

The failure to make the slightest move toward simplifying the many complicated and confusing provisions of the present law is a matter to which the President rightly calls attention.

In enumerating what he regards as fatal faults of this measure, besides its inadequacy as a revenue producer, Mr. Roosevelt noticeably omits any constructive recommendations for taxes to supply the Government's needs.

Now, when the national income is at its peak, is the time to get as much money as possible from taxes and hold down the proportion of borrowing. But it can't be obtained from the only program the Treasury has deigned to suggest or support—from those incomes that have virtually nothing more left from which to give.

Secretary Morgenthau has persistently refused to advocate "taxing where the money is"—incomes swollen by the war—or to consider a general retail sales tax, the simplest and least burdensome levy, with the additional advantage of curbing inflation.

If Congress, unwilling to see the Government lose these two billions of extra revenue, should pass this bill over the President's veto, its prime duty would still remain.

This is to enact a simple but comprehensive measure, possibly entailing a thorough overhauling of our present tax system, which will bring in all the money required, but at the same time equitably distribute the common burden.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. Murpock in the chair) laid before the Senate a message from the President of the United States submitting sundry nominations in the United States Public Health Service, which was referred to | the Committee on Finance.

(For nominations this day received, see the end of Senate proceedings.)

RECESS

Mr. HILL. I move that the Senate take a recess until tomorrow at 12 o'clock noon

The motion was agreed to; and (at 2 o'clock and 10 minutes p. m.) the Senate took a recess until tomorrow, Thursday, February 24, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 23 (legislative day of February 7), 1944:

PROMOTIONS IN THE REGULAR CORPS OF THE UNITED STATES PUBLIC HEALTH SERVICE

ASSISTANT SURGEONS TO BE PASSED ASSISTANT SURGEONS EFFECTIVE FROM THE DATES INDICATED

Nunzio J. Carrozzo, March 4, 1944. John L. Lincoln, February 19, 1944. Carl Enna, March 19, 1944. Joseph A. Moore, February 7, 1944.

PASSED ASSISTANT SURGEONS TO BE SURGEONS EFFECTIVE JANUARY 4, 1944

David C. Elliott Benton O. Lewis

PASSED ASSISTANT DENTAL SURGEONS TO BE DENTAL SURGEONS EFFECTIVE FEBRUARY 5. 1944

Oscar Mikkelsen Mark E. Bowers

DENTAL SURGEON TO BE SENIOR DENTAL SURGEON EFFECTIVE FEBRUARY 11, 1944

William C. Parker

ASSISTANT SANITARY ENGINEER TO BE TEMPORARY PASSED ASSISTANT SANITARY ENGINEER EFFEC-TIVE FEBRUARY 1, 1944

Kaarlo W. Nasi

PASSED ASSISTANT SANITARY ENGINEER TO BE TEMPORARY SANITARY ENGINEER EFFECTIVE FEBRUARY 1, 1944

Franz J. Maier

SENIOR SURGEONS TO BE MEDICAL DIRECTORS EFFECTIVE MARCH 18, 1944

John F. Mahoney Marion F. Haralson

SURGEONS TO BE SENIOR SURGEONS EFFECTIVE FROM THE DATES INDICATED

Edwin H. Carnes, January 21, 1944 Gregory J. Van Beeck, March 11, 1944. Franklin J. Halpin, February 21, 1944.

PASSED ASSISTANT SURGEON TO BE TEMPORARY SURGEON EFFECTIVE JANUARY 1, 1944

Dale C. Cameron

The following officers are now serving under temporary commissions:

Nunzio J. Carrozzo John L. Lincoln Joseph A. Moore David C. Elliett Benton O. Lewis

Oscar Mikkelsen Mark E. Bowers Edwin H. Carnes Gregory J. Van Beeck Franklin J. Halpin

HOUSE OF REPRESENTATIVES

Wednesday, February 23, 1944

The House met at 12 o'clock noon. The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal God, our Father, we rejoice that, through space we cannot measure

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and by laws we cannot understand, our times are in Thy hands. We pray for the light of Thy truth to make wise our understanding that we may have clear discernment in all our conclusions; ours is a moral duty which no one can justly ignore or evade. Remind us of the scroll of those who, in every age, have stood forth for justice, tamed wicked-ness, and contributed to the ethical standards of their day. Let the volume of their experience inspire us to carry our convictions and visions with rapture into our national life.

Heavenly Father, in our need of Thee we kneel at Thy holy altar, making humble confession of our mortal sins; have mercy upon us and forgive all that is past. O God, if needs be, reproach us, discourage our faint-heartedness, and share our problems. Allow not Thy voice to be lost in the roar of the world's earthquake, wind, and fire; O make us equal to the demands of its tragedy. Blessed Lord, while clouds may cluster about the morning star they are destined to fade into a new and glorious day. Let Thy kingdom come in all our hearts, speaking kindly words: Charity thinketh no evil; a soft answer turneth away wrath; behold how good and pleasant it is for brethren to dwell together in unity. In the spirit of our Lord and Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

GEN. FRANK T. HINES

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 872) to authorize the President to appoint Frank T. Hines a brigadier general in the Army of the United States, with House amendments thereto, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read the title of the bill.

The SPEAKER appointed the following conferees: Mr. May, Mr. Thomason, Mr. SPARKMAN, Mr. Andrews, and Mr. SHORT.

PLACING FOURTH-CLASS POSTMASTERS ON SALARY BASIS

Mr. BURCH of Virginia. Mr. Speaker. I ask unanimous consent to take from the Speaker's table the bill (H. R. 324) to place postmasters at fourth-class post offices on an annual salary basis, and fix their rate of pay; and provide allowances for rent, fuel, light, and equipment, and fix the rates thereof, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection. There was no objection.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk reported the title of the bill, The SPEAKER appointed the following conferees: Mr. Burch of Virginia, Mr. WHELCHEL of Georgia, Mr. WARD, Mr. HARTLEY, and Mr. MASON.

GRANTING INCREASES IN COMPENSATION TO SUBSTITUTE EMPLOYEES, POSTAL SERVICE

Mr. BURCH of Virginia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2836) to grant increases in compensation to substitute employees in the Postal Service, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a con-

The SPEAKER. The Clerk will report the title of the bill.

The Clerk reported the title of the

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER appointed the following conferees: Mr. Burch of Virginia, Mr. Whelchel of Georgia, Mr. Ward, Mr. HARTLEY, and Mr. MASON.

PENSIONS TO SOLDIERS, INDIAN WARS, 1817 TO 1898

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 85) to amend the act of March 3, 1927, entitled 'An act granting pensions to certain soldiers who served in the Indian wars from 1817 to 1898, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk reported the title of the bill. The SPEAKER. The Clerk will report the Senate amendments:

The Clerk read as follows:

Page 3, line 9, strike out all after "month" down to and including "Act" in line 15.

Page 6, strike out all after line 15 over to and including line 5 on page 7.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. As I understand it, these amendments make no material change in the bill at all?

Mr. LESINSKI. They make no material change. This bill was passed by the House on June 28, 1943.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection

The SPEAKER. Is there objection? There was no objection.

The SPEAKER. The question is on agreeing to the Senate amendments.

The Senate amendments were agreed

A motion to reconsider was laid on the table.

UNITED NATIONS RELIEF AND REHABILI-TATION ORGANIZATION

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 192, to enable the United States to participate in the work of the United Nations Relief and Rehabilitation organization, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.